

The Impact Of Credit Scores On Our Client's Success

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What is a Credit Score for?

Your credit score is an indicator of your creditworthiness.

This number was designed to indicate how likely the borrower is to repay a loan



What Credit Scores are used for

- Good credit helps with
 - Purchasing a home
 - Purchasing a car
- It may be checked by
 - Landlords
 - Potential employers
 - Insurance companies
 - Cell phone companies
 - Utility companies



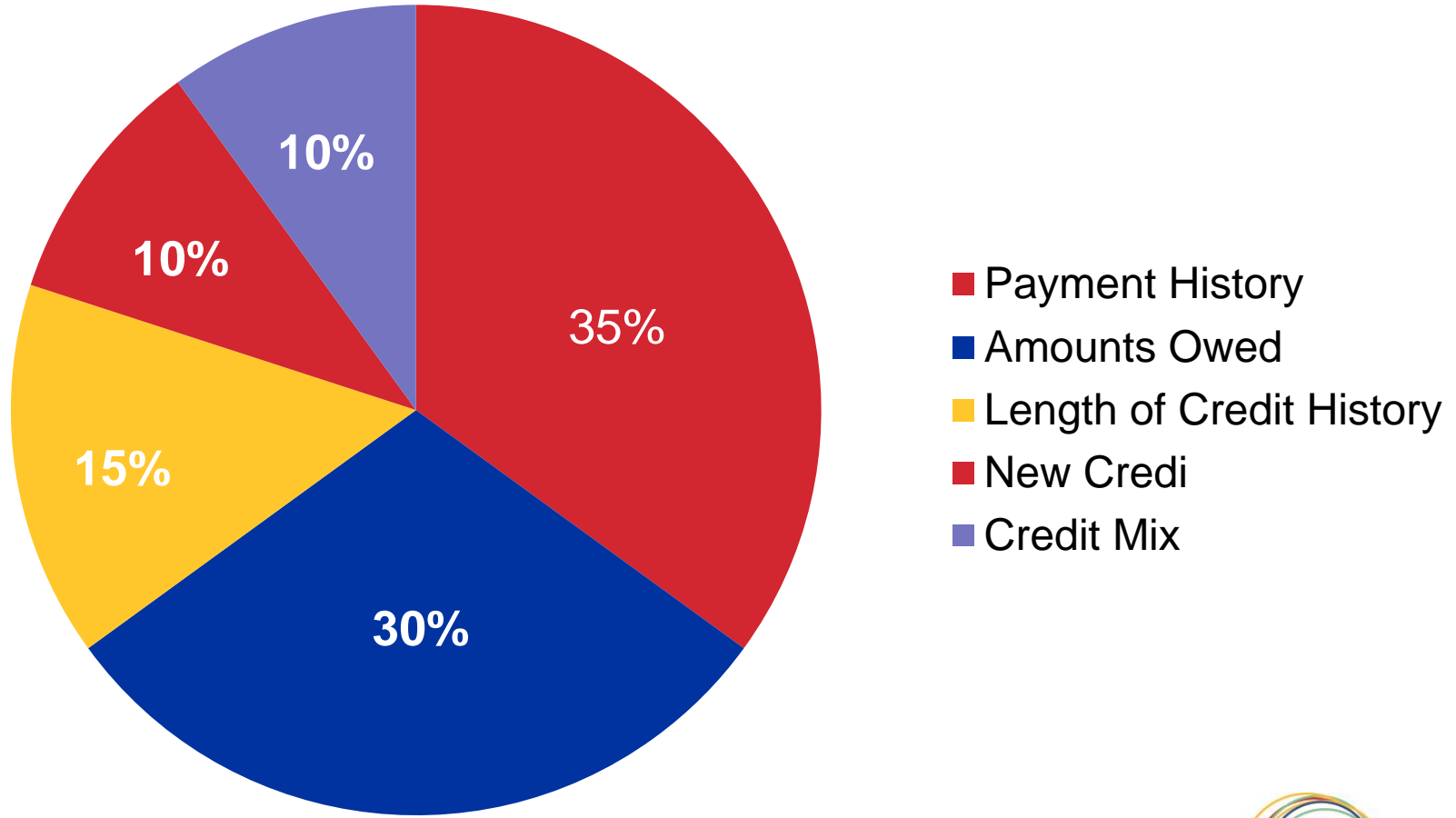
How Credit Scores are determined

Like a GPA, a credit score is a cumulative number that measures your success relative to others, in this case grading you as a credit-worthy individual. This number is based on information listed on your credit report.

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What Makes Up A Credit Score





FICO Score	Credit Risk
800+	Exceptional
740-799	Very Good
670-739	Good
580-669	Fair
579 & Lower	Poor

VantageScore	Grade	Credit Risk
900-990	A	Super Prime
801-900	B	Prime Plus
701-800	C	Prime
601-700	D	Non-Prime
501-600	F	High Risk

Remember, no score is ever hard and fast. Lenders often tweak scoring algorithms to fit their business models.



What is the average Credit Score?

- Vantage Score breaks it down:
 - Mankato, Minnesota — 706
 - Rochester, Minnesota — 705
 - Minneapolis, Minnesota. — 704
- FICO
 - The national average FICO score is at an all-time high at 695, compared to 688 in October 2005.



What is included in the score and what is not



Yes	NO
Credit Cards	Gender/Race/Age
Auto/Personal Loans	Income
Mortgages	Utilities
Late payments	Insurance
Collections/Judgements	Rent payments
Liens	Employers
Bankruptcy	Payday & Title Loans



How to read a credit report

4 main categories:

- Personal ID Info
- Public Records
- Credit Accounts
- Inquiries



How can I get a better score?

GET THE GOOD STUFF GOING!

- Pay your bills on time
- Maintain balances at 30% or lower than available credit
- Apply for traditional credit
 - (including credit cards or bank loans).
- Dispute incorrect information
- Pay off negative accounts



How To Dispute an item on my report

- Can be done on-line or by mail through each credit bureau.
- If you dispute something, the creditor has 30 BUSINESS days to confirm the debt.
- If they can't, the information needs to be taken off your report.



How can I get a free Credit Report?

www.AnnualCreditReport.com

If you have been denied a:

- Credit card
- Loan
- Insurance
- Job
- Housing

You should receive a letter explaining how to get your free report.



“Free” Credit Score

- Often they give you a Vantage score, not your FICO score.
- If they ask for your bank/credit card information they may be signing you up for a monthly service that you will be paying for!
- Only use these sites if you are comfortable having them share your information with other companies!



Questions?

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